

July 10, 2012

Attn: Compliance Tracker, AE-17J
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

RE: Consent Decree Civil Action No. 1:09-CV-545
Effective Date February 4, 2010

Dear Sirs:

Please find attached the Quarterly Report for Second Quarter 2012. Please contact me at (513) 467-2470 or michele.smith@ineos.com if you have any questions concerning the submitted information.

Respectfully Submitted,



Michele A. Smith, P.E.
Lead Environmental Engineer
INEOS ABS (USA) Corporation

cc: M. Palmero, USEPA Region 5
T. Kalman, OEPA
G. Bachmann, Ohio AG
M. Kramer, SWOAQA

INEOS ABS (USA) CORPORATION'S ADDYSTON, OH PLANT
CONSENT DECREE QUARTERLY REPORT

Consent Decree Civil Action No. 1:09-CV-545

Effective Date February 4, 2010

Reporting Period: 04/01/12 – 06/30/12

I. INTRODUCTION

The following report contains the required information about INEOS ABS' compliance activities associated with the requirements in Paragraph 50 a. and 50 b. in the Consent Decree.

II. LEAK DETECTION AND REPAIR (LDAR) REPORTING OBLIGATIONS

Per Appendix A of the Consent Decree, INEOS ABS submitted the following reports to the U.S. EPA and Ohio EPA:

A. COMPLIANCE STATUS REPORTS

No Compliance Status Report required to be submitted during this period.

B. CORRECTIVE ACTION PLANS

The Corrective Action Plan for the 2011 external audit was completed on October 13, 2011 and was submitted for approval on January 18, 2012. Still awaiting approval. All corrective actions identified in the plan have been completed.

C. CERTIFICATE OF COMPLIANCE

No certificate was required to be submitted during this period.

III. FLARE MONITORING INSTRUMENTS REPORTING OBLIGATIONS

Per Paragraph 23 of the Consent Decree, INEOS ABS submitted the following reports to the U.S. EPA and Ohio EPA:

- First Quarter 2012 Monitoring report was submitted on April 4, 2012.

IV. NONCOMPLIANCE WITH CONSENT DECREE

Per Paragraph 50 b. of the Consent Decree, INEOS ABS submitted the following letters of noncompliance to the U.S. EPA and Ohio EPA:

A. LDAR Missed Monitoring & Improvement – Letter Dated May 11, 2012

One valve in our P001 process was inadvertently put out of service in our database in first quarter 2012 and was not monitored. When discovered, the valve was monitored within seven days and was not found leaking. One valve in our methyl ethyl ketone (MEK) unloading area was leaking and repaired in March 2012. The next shipment of MEK was in May and the valve was not monitored. It has since been physically removed from the system. The

components in the MEK unloading area are used less than 300 hours per year, but they are not blown clean after use.

One valve in our P042 process was found leaking on March 7, 2012 and repaired on March 8th. The valve was not improved within 30 days as required by the Equipment Replacement/Improvement Program per Paragraph 19.c. of Appendix A. It was replaced on May 1st.

B. LDAR Misclassification of Components – Letter Dated June 1, 2012

Three components were identified as connectors in our LDAR database when actually they were open-ended lines. Their classification was changed and they were promptly monitored and will continue to be monitored quarterly. None of these components have leaked in the past. In addition, one component was identified as a valve in the database, but is an open-ended line. Its classification was changed too.

C. Flare Low NHVFG & LDAR Missed Monitoring – Letter Dated June 8, 2012

The NHVFG One-Hour Block Average at the Flare was less than 200 BTU/scf on May 14, 2012. This noncompliance was recognized on June 4, 2012 when the May 2012 monthly monitoring report was completed. The P001 Process was down during this period of time with no movements of 1,3-butadiene. Any flow to the Flare would have been through storage tank breathings. As such, there were intermittent times when the flow of 1,3-butadiene to the Flare was greater than 1 lb/hr during a five-minute period; these periods of time were also sporadic in nature. One five-minute period with low total flow to the Flare is not a sufficient period for the Flare to reach the required NVHFG of 200 BTU/scf. These intermittent and low five-minute averages caused the NHVFG One-Hour Block Average to be below the 200 BTU/scf limit. Upon investigation of this event and further investigation of the November 2011 events, it was observed that all these events occur when the total flow to the Flare was less than 100 lb/hr. As a corrective action to prevent reoccurrence, the total flow to the Flare will be set at a minimum of 100 lb/hr, the makeup being the addition of nitrogen to the stream going to the Flare.

One valve in our P047 process was listed as inactive in our LDAR database in 2009 and was not monitored since that time. The valve was actually an active valve. It was discovered on June 6, 2012 and monitored that day; it was not leaking at this monitoring.

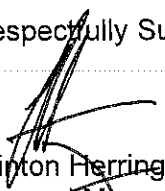
D. LDAR Missed Monitoring – Letter Dated June 29, 2012

One valve in our P001 process was inadvertently put out of service in our database in July 2009 when one portion of the process was taken out of service. However, this valve continues to see monomer on one side and should have been monitored. When discovered, the valve was monitored within seven days and was not found leaking.

V. CERTIFICATION

I certify under penalty of law that I have examined and am familiar with the information in the enclosed documents, including all attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for knowingly submitting false statements and information, including the possibility of fines or imprisonment pursuant to Section 113(c)(2) of the Act, and 18 U.S.C. §§ 1001 and 1341.

Respectfully Submitted,



Clinton Herring
General Manager, NAFTA
INEOS ABS (USA) Corporation

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